

Approved 10/27/20

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

Minutes of the Meeting of the Board of Directors

September 29, 2020

Pursuant to proper notice duly provided to all Directors, the regular meeting of the Directors of the New Hampshire Electric Cooperative, Inc. (NHEC) was held September 29, 2020. In light of the COVID-19 pandemic and in response to Governor Sununu's Executive Order 2020-04, the meeting was conducted remotely via Zoom videoconferencing.

Directors present were Thomas Mongeon, Alana Albee, Brenda Boisvert, William Darcy, Sharon Davis, Leo Dwyer, Edward French, Carolyn Kedersha, Madeline McElaney, Jeffrey Morrill, and Daniel Senie. Others present were Steve Camerino, President/CEO; Jim Bakas, VP of Operations and Engineering; Brian Callnan, VP of Power Resources and Access; Mark Dean, Attorney; Drew Dunagin, VP of Financial Services/CFO; Steve Kaminski, Power Planning and Policy Advisor; Mike Licata, VP of Member Services/Public Affairs; Pam Ouellette, VP of Human Resources and Organizational Development; Craig Snow, VP of Energy Solutions/Facilities; Geoff Ziminsky, VP of Technology and Business Services/CIO; Carl Borowiec, Substation and Metering Supervisor; Michael Jennings, Engineering Manager; Josh Mazzei, Manager of Operations; Kristen Taylor, Rates and Statistical Analyst; Dave Erickson, Director of Access and Distributed Resources; Ken Colburn, NRECA Director for NH; Harry Viens, NHEC Member; Bob Giuda, NHEC Member and NH State Senator; John Dougherty and Mike Reed of Mission Broadband; and Sharon Yeaton, Executive Services Administrator (recording).

Chair Mongeon called the meeting to order at 8:31 a.m.

Agenda Review and Approval of Minutes

There were no changes to the agenda.

The minutes of the August 14, 2020, and August 18, 2020, Special Meetings and the August 25, 2020, Board meeting were reviewed. Upon motion of Mrs. Davis, seconded by Mrs. Boisvert, it was

VOTED: To adopt the minutes of the August 14, 2020, and August 18, 2020, Special Meetings and the August 25, 2020, Board meeting, as presented.

Vote for the motion was unanimous.

Board Safety Moment

Mr. Jennings introduced Mr. Borowiec, Substation and Metering Supervisor, and shared information on his background. Mr. Borowiec presented the safety moment on the importance of following all safety procedures and not cutting corners and taking shortcuts.

Chairman's Report

Chair Mongeon presented the Chairman's Report, expressing thanks to the board and staff for all they are doing and recognizing the Power Resources and Access group for their work on the initiatives presented at yesterday's committee meeting. He discussed transparency of board actions, including roll call voting and public versus executive session. With regard to board committees, he expressed appreciation for the ongoing goal setting activities and requested that committees implement tracking reports and action item lists similar to what is done for board meetings. He would also like agendas for both board and committee meetings to be structured with the most important issues being addressed early on the agenda. In closing, he discussed NRECA Director training and indicated he would be in touch with directors by the end of October to check in on their educational plans.

President's Report

Mr. Camerino presented the President's Report, first reviewing a list of items he will cover in his report. He presented a dashboard of key operating metrics for safety, various financial measures, service reliability, and the Balanced Scorecard (BSC).

Mr. Colburn joined the meeting at 8:58 a.m.

Messrs. Camerino and Snow next discussed the TSE member satisfaction survey, advising that we have decided not to continue with the TSE survey, in parallel with the Qualtrics platform, as was originally planned. We will also be looking at what other services Touchstone Energy provides to determine whether or not to continue our membership in that organization.

Mr. Camerino provided an update on the meter exchange program, reporting that it is anticipated it will be completed in late October.

Mr. Viens joined the meeting at 9:02 a.m.

Mr. Dunagin provided a financial update and addressed questions. He reviewed slides on year-to-date financial results through August compared to budget, delivery service billed revenue compared to budget, August non-residential kWh sales by sector, accounts receivable aging, accounts receivable by class, disposition of 60+ day arrears, and payment arrangements.

Mr. Callnan reviewed the monthly Power Resources Variance Report, and addressed questions.

Mr. Camerino mentioned the need to appoint tellers for ballot counting purposes for the special election bylaw amendment proposal. Upon motion of Mrs. Davis, seconded by Mrs. Kedersha, it was

RESOLVED, that in accordance with Article III, Sections 4, 5 and 7 of the New Hampshire Electric Cooperative's Bylaws the ballots shall be opened and counted in the manner designated on the Special Meeting ballot, by a committee of tellers as appointed herewith:

NHEC Employees: Seth Wheeler (Chair), Doug Bergholm, Patti Corbeil, Shauna McNair, Robyn Sarette, Kristie Saulnier, Daron Whitehouse, Autumn Doan, Sharon Yeaton, Sara

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Thielbar, Kristen Taylor, Kathryn Smith, Lisa Sheehy, Sharyn-Lynn Gilpatric, Mike Licata, and Edee Murphy; and Survey and Ballot Systems Employees: Leigh Peroutka, Jenny Gerling, Kristin Bunkenburg, Carrie Claus, Tyler Oppenheimer, Adam Fleischhacker, Ryan Smith, Missy Fiala, Mary Jo Harrington, Marylee Horstmann and Sara Bornes.

Vote for the motion was unanimous.

Closing out the President's Report, Mr. Camerino highlighted the achievement of the SCADA Expansion Project, which is part of the Strategic Plan. He noted that this is a huge deal in moving the organization forward, especially as part of the transactive energy model. He indicated that this was an enormous team effort, which is a testament to the collaboration within the organization. He commended the entire SCADA Team on their hard work and efforts.

Mr. Reed joined the meeting at 9:28 a.m.

Upon motion of Mr. Mongeon, seconded by Mr. Darcy, it was

VOTED: That the Board of Directors appreciates the entire SCADA team for their hard work, collaboration, and communications to move SCADA operations and infrastructure forward in a significant way.

Vote for the motion was unanimous. Mr. Camerino will mentioned the board's motion in his monthly employee update.

Chair Mongeon also recognized Mr. Camerino and his senior team for leading the organization through a very prompt, proactive, and comprehensive response to COVID, including the ability to move remotely in a short period of time through the foresight and planning of the Information Technology Team and senior management.

Priorities List

Referring to Attachment #4 in the board packet, Mr. Camerino noted that this is the list he read to the board last month. He called attention to the three groupings as identified at the top of the document.

Mr. Dougherty joined the meeting at 9:30 a.m.

Chair Mongeon added that the first seven items on the list, identified as imperative, are either touched on at each board meeting or covered in Attachment #20, Board Schedule of Approvals/Presentations.

2021 Budget Planning

Mr. Camerino discussed development of the 2021 budget and the presentation planned for the October Corporate Services Committee meeting.

Senator Giuda joined the meeting at 9:34 a.m.

Mr. Camerino also discussed the final budget review presentation that takes place at the November Corporate Services Committee meeting.

In response to Mr. Dwyer's request for a five year history of line items to see trends, Mr. Camerino indicated that he and Mr. Dunagin would determine what can be provided that would be helpful to the board.

Broadband Update

Chair Mongeon welcomed Senator Giuda to the meeting. Senator Giuda first thanked everyone for all the valuable things the Co-op does. He next shared his concerns around governance issues and the scope of the board's authority under the proposed bylaw amendments. He requested the board consider an amendment to that language at the next Annual Meeting that would limit the scope of the board's expanded authority to broadband issues. He also discussed the issue of transparency in terms of recording director votes individually, and encouraged the board to consider developing criteria for when roll call votes would be required.

Chair Mongeon thanked Senator Giuda for presenting his concerns. He advised that the issue of institutionalizing how we do roll call votes will be taken up sooner rather than later, and relative to the issue of the bylaws he will work with Mr. Camerino and put that on a future board agenda in the next three to five months.

Senator Giuda left the meeting at 9:42 a.m.

Chair Mongeon mentioned that he asked Attorney Dean to put together a list of items related to broadband to identify what would be discussed in regular versus executive session. Attorney Dean noted that this material is marked attorney/client privilege and should be discussed in executive session.

Mr. Erickson joined the meeting and Mr. Kaminski left the meeting at 9:45 a.m.

Mr. Camerino discussed top level roles related to broadband, noting that management is charged with implementing the strategic direction set by the board both with regard to the CARES projects and the overall larger broadband initiative. He introduced Messrs. Dougherty and Reed from Mission Broadband who we engaged for their expertise to assist us with executing on the CARES projects, explaining their role, and noting that they would provide an update on those projects. He also discussed the engagement of Tilson Tech to design and build the system.

Mr. Camerino addressed the need for the board to set guiding principles for the larger broadband project. He discussed the Broadband Committee's role to make sure the proposal is ready to be presented to the board, and management's role to execute the work with NRTC to get the model developed and to work with Mission Broadband on their piece.

Mr. Dwyer shared his screen displaying the Broadband Committee Charter, noting that he sees the role of the Broadband Committee as Mr. Camerino has outlined.

Thoughts were shared on the broadband projects.

Mr. Erickson left the meeting at 9:55 a.m.

Mr. Dougherty provided an update on the CARES projects, noting that they are going well. He reported that Tilson's work is on track and we have selected some key providers for design, engineering, available products, and commitment to delivery of services and those agreements are in the process of being signed. He described the work being done by vendors. Mr. Reed added that all of the vendors selected can easily accommodate the expansion to serve additional members in these areas.

Ms. Albee encouraged everyone to listen to the Telephone Town Hall Meeting on Broadband if they have questions about some of the broad brush issues, noting that Mr. Camerino did a brilliant job fielding the questions and it reflected in a nice summary way all of the decisions that have gotten us to where we are now and all of the still open landscape.

In response to a request, Messrs. Camerino and Licata provided an overview of the types of communications there have been relative to broadband.

Chair Mongeon reemphasized the policy and importance of speaking with one voice and indicated that if a director feels they should have a one-on-one interaction with someone they should first check with him.

Messrs. Dougherty and Reed left the meeting at 10:14 a.m.

Board Committees

The draft minutes of the September 2, 2020, Engineering and Operations Committee meeting were reviewed. Upon motion of Mrs. Boisvert, seconded by Mr. French, it was

VOTED: To approve the minutes of the September 2, 2020, Engineering and Operations Committee meeting as presented.

Vote for the motion was unanimous.

Engineering and Operations Committee

Engineering and Operations Committee Chair Senie, reported on the committee meeting held on September 2, first mentioning the proposal for the Sunapee and Andover District merger.

Mr. Mazzei shared his screen and reviewed a PowerPoint presentation on the proposal to merge the Sunapee and Andover districts. He reviewed the reasons for the merger, construction allowances for the new building, and addressed questions.

Mr. Kaminski rejoined the meeting at 10:19 a.m.

Mr. Bakas noted that the purchase of the property would occur this year and the construction would take place next year.

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Upon motion of Mrs. Kedersha, seconded by Mrs. Boisvert, it was

VOTED: That the Board of Directors approves the expenditure of up to \$1,600,000 for land procurement and construction of a new facility to serve as the district office for the existing Andover and Sunapee districts on a merged basis.

Vote for the motion was unanimous.

Committee Chair Senie noted that the other action item from the September 2nd meeting is the reaffirmation of board policies. Upon motion of Mr. Darcy, seconded by Mrs. Boisvert, it was

VOTED: That the Board of Directors reaffirms Board Policies B-2, Attachment C – Engineering & Operations Committee and B-25 – Service Territory Realignment.

Vote for the motion was unanimous.

Corporate Services Committee

Corporate Services Committee Chair French reported on yesterday's Corporate Services Committee meeting covering the topics of the semi-annual accounts receivable write-off and the semi-annual Regional Access and Co-op Power rate change. Upon motion of Mrs. Davis, seconded by Mr. Senie, it was

VOTED: That the Board of Directors authorizes a write-off for uncollectible electric accounts in the amount of \$53,826.35 for accounts final billed October 2019 through March 2020 and directs staff to continue to attempt recovery of these uncollectible accounts. The Board of Directors also authorizes a write-off of \$7,845.48 for bankruptcies through August 2020.

Vote for the motion was unanimous.

Upon motion of Mrs. Davis, seconded by Mrs. Kedersha, it was

VOTED: That the Board of Directors authorizes management to set the Co-op Power and Regional Access Charges as recommended in the proposal on a bills-rendered basis effective November 1, 2020.

It was noted that there was discussion at the committee meeting about the importance of how the increase is communicated, as well as whether these rates need to change on a semi-annual basis, which will be discussed at the October committee meeting.

Vote for the motion was unanimous.

Power Resources and Access Committee

Power Resources and Access Committee Chair Dwyer reported on yesterday's Power Resources and Access Committee meeting, noting that topics addressed included SMART goals, electric school bus project, behavioral demand response, Automated Metering Infrastructure (AMI) data

analytics, information system tools for Power Resources, and the residential battery project. He noted that there was great support for residential batteries, but differences of opinion on how that might manifest itself so it was recommended to hold a joint meeting of the Member Services and Power Resources and Access committees.

Chair Mongeon thanked Mr. Callnan and his team for the hard work on the battery project.

Updates from Other Committees

Chair Mongeon noted that the Executive Committee is meeting following today's board meeting.

The meeting recessed at 10:38 a.m. and reconvened at 10:48 a.m. All those in attendance prior to the recess rejoined the meeting.

Attorney's Report

Attorney Dean presented his report, first reviewing a PowerPoint presentation providing a refresher on public versus executive session and how that relates to the discussion of broadband subjects.

Attorney Dean next mentioned an item related to the performance bonding for the two grant agreements awarded through the CARES program. He indicated that arrangements have been worked out with the State of New Hampshire so that we don't have to produce double bonding and this requires a minor amendment to those agreements. We have secured the bonding, but need to have Mr. Camerino execute first amendments to the grant agreements for both Colebrook and Lempster.

Upon motion of Mrs. Kedersha, seconded by Mr. Dwyer, it was

VOTED: That the Board of Directors authorizes the President/CEO to sign the first amendment to the CARES grant agreements for Colebrook and Lempster.

Vote for the motion was unanimous.

Ms. McElaney joined the meeting at 11:01 a.m.

Attorney Dean discussed the requirement for roll call votes by virtue of the fact that we are holding remote meetings. He advised that the guidance from the Attorney General's office is that all votes during remote meetings be roll call votes.

Chair Mongeon advised that going forward he would be doing roll call votes for all votes.

Upon Chair Mongeon's request, Attorney Dean addressed the handling of votes related to broadband, noting that any vote the board takes prior to October 20 that would commit the Co-op to a transaction that is going to involve the acquisition of non-electric utility property needs to be expressly conditioned upon passage of the bylaw amendments. He also recommended that if the bylaw amendments pass there be a brief meeting and a ratifying vote of that decision after the

bylaw amendments become effective, which would be at the close of the special meeting on October 20.

Board General Session

Board Tracking Report

Chair Mongeon indicated he had a date to change and would likely be adding another item.

Committee Meetings

Following is a list of upcoming committee meetings:

- Audit Committee – October 26 at 8:30 a.m.
- Corporate Services Committee – October 26, following the Audit Committee
- Member Services Committee – October 26, following the Corporate Services Committee
- Engineering and Operations Committee – November 2 at 8:30 a.m.¹

NHEC Foundation Report

NHEC Foundation Chair Davis reported on yesterday's NHEC Foundation meeting, noting that grants totaling \$47,998 were awarded. She noted that a more detailed report would be provided in next month's board packet.

NRECA Report

Mr. Colburn presented the NRECA Report, sharing highlights from his written report which was included in the board packet. With regard to the discussion earlier in the meeting regarding Touchstone Energy, he mentioned they have a new CEO and it might be worth having a conversation with that person to see if there is any valid reason to maintain membership.

CFC District One Meeting - Voting Delegate and Alternate

The need to appoint a voting delegate to complete the mail ballot for the appointment of the CFC District 1 Nominating Committee was discussed. Upon motion of Mrs. Kedersha, seconded by Mr. Morrill, it was

VOTED: To appoint Steve Camerino as the voting delegate for the CFC District One meeting.

Vote for the motion was unanimous.

Messrs. Colburn and Viens and Ms. Taylor left the meeting at 11:20 a.m.

Executive Session

Upon motion of Mr. French, seconded by Mrs. Boisvert, it was

VOTED: That the Board of Directors move into Executive Session for the purpose of discussion of confidential legal claims/litigation/contract negotiations, confidential personnel matters, and confidential commercial/financial information.

¹ Previously scheduled for October 15.

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Vote for the motion was unanimous and the board moved into executive session at 11:20 a.m.

Adjournment

The board moved out of executive session and Chair Mongeon adjourned the meeting at 2:05 p.m.

Brenda Boisvert, Secretary

A TRUE COPY ATTEST:

Thomas Mongeon, Chair of the Board